| 1 2 3 4 5 6 7 8 9 | Christopher M. Martin, State Bar No. 186021 D. Joshua Voorhees, State Bar No. 241436 HIRST & CHANLER LLP Hinsdale Square 23 N. Lincoln, Suite 204 Chicago, IL 60521 Telephone: (630) 789-6998 Facsimile: (630) 214-0979 Attorneys for Plaintiff RUSSELL BRIMER Jennifer K. Wendell, State Bar No. 229368 CARTER LAW OFFICE 329 Flume Street P.O. Box 3606 Chico, CA 95927-3606 Telephone: (530) 342-6196 Facsimile: (530) 342-6195 | |
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| 11 | Attorneys for Defendant BIRD IN HAND, INC. | |
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| 13 | SUPERIOR COURT OF THE STATE OF CALIFORNIA | |
| 14 | FOR THE CITY AND COUNTY OF SAN FRANCISCO | |
| 15 | UNLIMITED CIVIL JURISDICTION | |
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| 17 | RUSSELL BRIMER | Case No. CGC-05-447014 |
| 18 19 | Plaintiff, v. | STIPULATION AND [PROPOSED] ORDER RE: CONSENT JUDGMENT |
| 20 | BIRD IN HAND, INC.; and DOES 1 through 150, inclusive, | |
| 21 | Defendants. | |
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| | STIPULATION AND [PROPOSED] ORDER RE: CONSENT | I JUDGMENT CASE NO. CGC-05-447014 |

1. INTRODUCTION

1.1 Russell Brimer And Bird in Hand, Inc.

This Consent Judgment is entered into by and between plaintiff Russell Brimer (Brimer or plaintiff) and defendant Bird in Hand, Inc., (Bird in Hand or defendant), with Brimer and Bird in Hand collectively referred to as the "parties."

1.2 Plaintiff

Brimer is an individual residing in California who seeks to promote awareness of exposures to toxic chemicals and improve human health by reducing or eliminating hazardous substances contained in consumer products.

1.3 Defendant

Bird in Hand employs ten or more persons and is a person in the course of doing business for purposes of Safe Drinking Water and Toxic Enforcement Act of 1986, California Health & Safety Code §§25249.5 et seq. (Proposition 65).

1.4 General Allegations

Brimer alleges that Bird in Hand has manufactured, distributed, and/or sold in the State of California certain pint glasses and other glassware with colored artwork, designs, and/or markings on the surface that contain lead. Lead is listed pursuant to Proposition 65 as a chemical known to the State of California to cause birth defects and other reproductive harm. Lead shall be referred to hereinafter as the "listed chemical."

1.5 Product Description

The products that are covered by this Consent Judgment are defined as follows: pint glasses and other glassware with colored artwork, designs, and/or markings on the surface including, but not limited to, the glass products identified in Exhibit A to this Consent Judgment and sold by Bird in Hand. All such pint glasses and other glassware with colored artwork, designs, and/or markings on the surface shall be referred to hereinafter as the "products."

1.6 Notices of Violation

On September 9, 2005, Brimer served Bird in Hand and various public enforcement agencies with a document entitled "60-Day Notice of Violation" (the Notice) that provided Bird in Hand and such

public enforcers with notice that alleged that Bird in Hand was in violation of California Health & Safety Code §25249.6 for failing to warn consumers and customers that the products that Bird in Hand sold exposed users in California to the listed chemical.

1.7 Complaint

On November 23, 2005, Brimer, who is acting in the interest of the general public in California, filed a complaint (hereinafter referred to as the Complaint or the Action) in the Superior Court in and for the City and County of San Francisco against Bird in Hand, Inc., and Does 1 through 150, (Brimer v. Bird in Hand, Inc., CGC-05-447014) alleging violations of Health & Safety Code §25249.6 based on the alleged exposures to the listed chemical contained in the products sold by Bird in Hand.

1.8 No Admission

Bird in Hand denies the material factual and legal allegations contained in Brimer's Notice and Complaint and maintains that all products that it has sold and distributed in California, including the products defined in Section 1.5, have been and are in compliance with all laws. Nothing in this Consent Judgment shall be construed as an admission by Bird in Hand of any fact, finding, issue of law, or violation of law, nor shall compliance with this Consent Judgment constitute or be construed as an admission by Bird in Hand of any fact, finding, conclusion, issue of law or violation of law, such being specifically denied by Bird in Hand. However, this Section shall not diminish or otherwise affect the obligations, responsibilities, and duties of Bird in Hand under this Consent Judgment.

1.9 Consent to Jurisdiction

For purposes of this Consent Judgment only, the parties stipulate that this Court has jurisdiction over Bird in Hand as to the allegations contained in the Complaint, that venue is proper in the County of San Francisco and that this Court has jurisdiction to enter and enforce the provisions of this Consent Judgment.

1.10 Effective Date

For purposes of this Consent Judgment, the term "effective date" shall mean December 19, 2006.

2. <u>INJUNCTIVE RELIEF: WARNINGS AND REFORMULATION</u>

2.1 Product Warnings

After the effective date, Bird in Hand shall not sell, ship, or offer to be shipped for sale in

and reasonable warning set out in this Section 2.1, comply with the reformulation standards set forth in Section 2.3 or are otherwise exempt pursuant to Section 2.2.

Any warning issued for products pursuant to this Section 2.1 shall be prominently placed with

California products containing the listed chemical unless such products are sold or shipped with the clear

Any warning issued for products pursuant to this Section 2.1 shall be prominently placed with such conspicuousness as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or, for products shipped directly to an individual in California or used in the workplace, before use. Any warning issued pursuant to this Section 2.1 shall be provided in a manner such that the consumer or user understands to which *specific* product the warning applies, so as to minimize if not eliminate the chance that an overwarning situation will arise.

Sections 2.1(a)-(b) describe Bird in Hand 's options for satisfying its warning obligations depending, in part, on the manner of sale. The following warnings will be applicable when the product is sold either to consumers or in a business-to-business transaction:

(a) Retail Store Sales

(i) Product Labeling. From the effective date, a warning will be affixed to the packaging, labeling, or directly on the product by Bird in Hand or its agent, that states:

WARNING: The colored artwork, designs, and/or markings used on this product contains lead, a chemical known to the State of California to cause birth defects and other reproductive harm.

obligations by ensuring to the greatest extent possible that signs are posted at retail outlets in the State of California where the products are sold. Bird in Hand must receive a written commitment from each retailer to whom Bird in Hand sells products directly that it will post the warning signs. Point-of-sale warnings shall be provided through one or more signs posted in close proximity to the point of display of the products that state:

WARNING: The colored artwork, designs, and/or markings used on this product contains lead, a chemical known to the State of California to cause birth defects and other reproductive harm.

A point-of-sale warning shall be provided in a manner such that the consumer understands to

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which specific products the warning applies so as to minimize if not eliminate the chance that an 2 overwarning situation will arise.

Mail Order Catalog and Internet Sales. Defendant shall satisfy its **(b)** warning obligations for products that are sold by mail order catalog or from the Internet to California residents, by providing a warning: (i) in the mail order catalog; (ii) on the website; and/or (iii) with the product when it is shipped to an address in California. Warnings given in the mail order catalog or on the website shall identify the specific product to which the warning applies as further specified in Sections 2.1(b)(i), (ii) and/or (iii) as applicable:

Mail Order Catalog. Any warning provided in a mail order (i) catalog must be in the same type size or larger as the product description text within the catalog. The following warning shall be provided on the same page and in the same location as the display and/or description of the product:

> WARNING: The colored artwork, designs, and/or markings used on this product contains lead, a chemical known to the State of California to cause birth defects and other reproductive harm.

Where it is impracticable to provide the warning on the same page and in the same location as the display and/or description of the product, Bird in Hand may utilize a designated symbol to cross reference the applicable warning (designated symbol) and shall provide the following language on the inside of the front cover of the catalog or on the same page as any order form for the product(s):

> WARNING: The colored artwork, designs, and/or markings used on certain products identified with this symbol ▼and offered for sale in this catalog contain lead, a chemical known to the State of California to cause birth defects and other reproductive harm.

The designated symbol (shown on Exhibit A attached hereto) must appear on the same page and in close proximity to the display and/or description of the product. On each page where the designated symbol appears, Bird in Hand must provide a header or footer directing the consumer to the warning language and definition of the designated symbol.

If defendant elects to provide warnings in the mail order catalog, then the warnings must be included in all catalogs offering to sell one or more products printed after December 19, 2006.

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(ii) Internet Web Sites and Pages. A warning may be given in conjunction with the sale of the product via the Internet, provided it appears either: (a) on the same web page on which the product is displayed; (b) on the same web page as the order form for the product; (c) on the same page as the price for any product; or (d) on one or more web pages displayed to a purchaser during the checkout process. The following warning statement shall be used and shall appear in any of the above instances adjacent to or immediately following the display, description, or price of the product for which it is given in the same type size or larger as the product description text:

WARNING: The colored artwork, designs, and/or markings used on this product contains lead, a chemical known to the State of California to cause birth defects and other reproductive harm.

Alternatively, the designated symbol may appear adjacent to or immediately following the display, description, or price of the product for which a warning is being given, provided that the following warning statement also appears elsewhere on the same web page:

WARNING: Products identified on this page with the following symbol use colored artwork, designs, and/or markings that contains lead, a chemical known to the State of California to cause birth defects and other reproductive harm: ▼

the Internet, a warning may be provided with the product when it is shipped directly to an individual in California, by either: (a) affixing the following warning language to the packaging, labeling, or directly to a specific product; (b) inserting a warning card measuring at least 4" x 6" in the shipping carton which contains the following warning language; or (c) by placing the following warning statement on the packing slip or customer invoice on the line directly below the description of the product on the packing slip or customer invoice:

WARNING: The colored artwork, designs, and/or markings used on this product contains lead, a chemical known to the State of California to cause birth defects and other reproductive harm.

Alternatively, Bird in Hand may place the following language on the packing slip or invoice specifically identifying the product in lettering of the same size or larger as the description of the

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product:

WARNING: The colored artwork, designs, and/or markings used in the following product(s) contains lead, a chemical known to the State of California to cause birth defects or other reproductive harm: [list products for which warning is given].

The defendant shall, in any of these instances, in conjunction with providing the warning, also inform the consumer, in a conspicuous manner, that he or she may return the product for a full refund (including shipping costs for both the receipt and the return of the product) within thirty (30) days of his or her receipt of the product.

2.2 Exceptions to Warning Requirements

The warning requirements set forth in Section 2.1 shall not apply to:

- Any products shipped to a third party before the effective date; or
- (ii) Reformulated products (as defined in Section 2.3 below).

2.3 Reformulation Standards

The following reformulated products shall be deemed to comply with Proposition 65 and be exempt from any Proposition 65 warning requirements under Sections 2.1:

- (a) Any product containing .06% lead or less by weight in each material used in the products (such as colored artwork or designs); or
- (b) any product containing .48% cadmium or less by weight in each material used in the products (such as colored artwork or designs).

2.4 Reformulation Commitment

Bird in Hand hereby commits that all products that it offers for sale in California after March 1, 2007, shall qualify as reformulated products.

3. MONETARY PAYMENTS

3.1 Penalties Pursuant to Health & Safety Code §25249.7(b)

The total settlement amount shall be \$8,000, which shall be paid by Bird in Hand as set forth herein. Bird in Hand shall receive a credit of \$4,000 against the penalty amount in light of its prompt cooperation with Brimer in resolving this matter. Pursuant to Health & Safety Code §25249.7(b), Bird in Hand shall pay the remaining \$4,000 in civil penalties in two installments. The first payment of

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STIPULATION AND [PROPOSED] ORDER RE: CONSENT JUDGMENT CASE NO. CGC-05-447014

\$2,000 shall be made on or before December 19, 2006. The second payment of \$2,000 shall be payable April 1, 2007. The second payment shall be waived in the event that Bird in Hand certifies in writing under penalty of perjury with supporting facts and documentation, not later than March 1, 2007, that it has complied with the reformulation commitment set forth in Section 2.4. Said payments shall be made payable to the "HIRST & CHANLER LLP in Trust For Russell Brimer" and shall be delivered to plaintiff's counsel at the following address:

HIRST & CHANLER LLP Attn: Proposition 65 Controller 2560 Ninth Street Parker Plaza, Suite 214 Berkeley, CA 94710-2565

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Apportionment of Penalties Received 3.2

All penalty monies received shall be apportioned by Brimer in accordance with Health & Safety Code §25192, with 75% of these funds remitted by Brimer to the State of California's Office of Environmental Health Hazard Assessment and the remaining 25% of these penalty monies retained by Brimer as provided by Health & Safety Code §25249.12(d). Brimer shall bear all responsibility for apportioning and paying to the State of California the appropriate civil penalties paid in accordance with this Section.

REIMBURSEMENT OF FEES AND COSTS

The parties acknowledge that Brimer and his counsel offered to resolve this dispute without reaching terms on the amount of fees and costs to be reimbursed to them, thereby leaving this fee issue to be resolved after the material terms of the agreement had been settled. Bird in Hand then expressed a desire to resolve the fee and cost issue shortly after the other settlement terms had been finalized. The parties then attempted to (and did) reach an accord on the compensation due to Brimer and his counsel under the private attorney general doctrine codified at California Code of Civil Procedure §1021.5 for all work performed through the Court's approval of this agreement. Under the private attorney general doctrine, Bird in Hand shall reimburse Brimer and his counsel for fees and costs incurred as a result of investigating, bringing this matter to Bird in Hand's attention, litigating, and negotiating a settlement in the public interest and seeking the Court's approval of the settlement agreement. Bird in Hand shall pay Brimer and his counsel \$16,500 for all attorneys' fees, expert and investigation fees, litigation and related

before December 19, 2006 at the following address:

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HIRST & CHANLER LLP Attn: Proposition 65 Controller 2560 Ninth Street

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Parker Plaza, Suite 214 Berkeley, CA 94710-2565

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5. RELEASE OF ALL CLAIMS

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Release of Bird in Hand and Downstream Customers 5.1

costs. The payment shall be made payable to HIRST & CHANLER LLP and shall be delivered on or

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In further consideration of the promises and agreements herein contained, and for the payments to be made pursuant to Sections 3 and 4, Brimer, on behalf of himself, his past and current agents, representatives, attorneys, successors, and/or assignees, and in the interest of the general public, hereby waives all rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims, including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses (including, but not limited to, investigation fees, expert fees, and attorneys' fees) of any nature whatsoever, whether known or unknown, fixed or contingent (collectively claims), against Bird in Hand and McCadden Enterprises, Inc., d/b/a OGR Accessories, and each of their downstream distributors, wholesalers, licensors, licensees, auctioneers, retailers, franchisees, dealers, customers, owners, purchasers, users, parent companies, corporate affiliates, subsidiaries, and their respective officers, directors, attorneys, representatives, shareholders, agents, and employees, and sister and parent entities (collectively releasees). This release is limited to those claims that arise under Proposition 65, as such claims relate to Bird in Hand's alleged failure to warn about exposures to or identification of the listed chemical contained in the products.

Except as specified in the release above, the parties further understand and agree that this release shall not extend upstream to any entities that manufactured the products or any component parts thereof, or any distributors or suppliers who sold the products or any component parts thereof to Bird in Hand. This release does not extend to products sold by such releasees to other entities for sale in California other than Bird in Hand.

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5.2 Bird in Hand's Release of Brimer

Bird in Hand waives any and all claims against Brimer, his attorneys and other representatives, for any and all actions taken or statements made (or those that could have been taken or made) by Brimer and his attorneys and other representatives, whether in the course of investigating claims or otherwise seeking enforcement of Proposition 65 against it in this matter, and/or with respect to the products.

6. COURT APPROVAL

This Consent Judgment is not effective until it is approved and entered by the Court and shall be null and void if, for any reason, it is not approved and entered by the Court within one year after it has been fully executed by all parties, in which event any monies that have been provided to plaintiff, or his counsel pursuant to Section 3 and/or Section 4 above, shall be refunded within fifteen (15) days after receiving written notice from Bird in Hand that the one-year period has expired.

7. <u>SEVERABILITY</u>

If, subsequent to court approval of this Consent Judgment, any of the provisions of this Consent Judgment are held by a court to be unenforceable, the validity of the enforceable provisions remaining shall not be adversely affected.

8. ATTORNEYS' FEES

In the event that, after Court approval: (1) Bird in Hand or any third party seeks modification of this Consent Judgment pursuant to Section 14 below; or (2) Brimer takes reasonable and necessary steps to enforce the terms of this Consent Judgment, Brimer shall be entitled to his reasonable attorneys' fees and costs pursuant to CCP §1021.5.

9. GOVERNING LAW

The terms of this Consent Judgment shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed or is otherwise rendered inapplicable by reason of law generally, or as to the products, then Bird in Hand shall provide written notice to Brimer of any asserted change in the law, and shall have no further obligations pursuant to this Consent Judgment with respect to, and to the extent that, the products are so affected.

10. NOTICES

Unless specified herein, all correspondence and notices required to be provided pursuant to this

Consent Judgment shall be in writing and personally delivered or sent by: (i) first-class, (registered or certified mail) return receipt requested; or (ii) overnight courier on any party by the other party at the following addresses:

To Bird in Hand:

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Robert H. Malowney, Co-Owner Barbara G. Malowney, Co-Owner Bird in Hand, Inc. 320 Broadway Street Chico, CA 95928

To Brimer:

Proposition 65 Coordinator HIRST & CHANLER LLP 2560 Ninth Street Parker Plaza, Suite 214 Berkeley, CA 94710-2565

Any party, from time to time, may specify in writing to the other party a change of address to which all notices and other communications shall be sent.

11. COUNTERPARTS; FACSIMILE SIGNATURES

This Consent Judgment may be executed in counterparts and by facsimile, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same document.

12. COMPLIANCE WITH HEALTH & SAFETY CODE § 25249.7(f)

Brimer agrees to comply with the reporting form requirements referenced in Health & Safety Code §25249.7(f).

13. ADDITIONAL POST EXECUTION ACTIVITIES

Brimer and Bird in Hand agree to mutually employ their best efforts to support the entry of this Agreement as a Consent Judgment and obtain approval of the Consent Judgment by the Court in a timely manner. The parties acknowledge that, pursuant to Health & Safety Code § 25249.7, a noticed motion is required to obtain judicial approval of this Consent Judgment. Accordingly, the parties agree to file a joint motion to approve the Agreement (joint motion), the first draft of which Bird in Hand's counsel shall prepare, within a reasonable period of time after the Execution Date (i.e., not to exceed thirty (30) days unless otherwise agreed to by the parties' counsel based on unanticipated circumstances). Bird in Hand shall have no additional responsibility to plaintiff's counsel pursuant to Code of Civil Procedure

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§1021.5 or otherwise with regard to reimbursement of any fees and costs incurred with respect to the preparation and filing of the joint motion and its supporting declaration or with regard to plaintiff's counsel appearing for a hearing thereon.

14. MODIFICATION

This Consent Judgment may be modified only: (1) by written agreement of the parties and upon entry of a modified Consent Judgment by the Court thereon; or (2) upon a successful motion of any party and entry of a modified Consent Judgment by the Court. The Attorney General shall be served with notice of any proposed modification to this Consent Judgment at least fifteen (15) days in advance of its consideration by the Court.

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1 | 15. **AUTHORIZATION**

The undersigned are authorized to execute this Consent Judgment on behalf of their respective parties and have read, understood and agree to all of the terms and conditions of this Consent Judgment.

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| AGREED TO: | AGREED TO: |
| Date: (2.18.06 | Date: |
| By: Plaintiff Russell Brimer | By: |
| · | |
| APPROVED AS TO FORM: | APPROVED AS TO FORM: |
| Date: $12/19/06$ | Date: |
| HIRST & CHANLER LLP | CARTER LAW OFFICE |
| By: Christopher M. Martin Attorneys for Plaintiff RUSSELL BRIMER | By: |
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| IT IS SO ORDERED. | |
| Date: | JUDGE OF THE SUPERIOR COUR |
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| 15. | AUTHORIZATION |
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The undersigned are authorized to execute this Consent Judgment on behalf of their respective parties and have read, understood and agree to all of the terms and conditions of this Consent Judgment.

| AGREED TO: | AGREED TQ: |
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| Date: | Date: 12-20-2006 |
| By:Plaintiff Russell Brimer | By: Defendant Bird in Hand, Inc. |
| APPROVED AS TO FORM: | APPROVED AS TO FORM: |
| Date: | Date: 12-20-2-086 |
| HIRST & CHANLER LLP | CARTER LAW OFFICE |
| By: Christopher M. Martin Attorneys for Plaintiff RUSSELL BRIMER | By: Mendell Johnster K/Wendell Attorneys/for Defendant BIRD IN HAND, INC. |
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FROM CARTER LAW OFFICE

Exhibit A

The products that are covered by this Consent Judgment include, but are not limited to:

- 1. Old Guys Rule Mug Bass Guy (#115502)
- 2. Old Guys Rule Mug BBQ Guy (#115378)
- 3. Old Guys Rule Mug Biker Guy (#115334)
- 4. Old Guys Rule Mug Clssc Woody (#116660)
- 5. Old Guys Rule Mug Dmnd Lngbrd (#116666)
- 6. Old Guys Rule Mug Follow Through (#116665)
- 7. Old Guys Rule Mug Golf Guy (#115333)
- 8. Old Guys Rule Mug Good To Be King (#12251)
- 9. Old Guys Rule Hammock Guy (#115332)
- 10. Old Guys Rule Mug Surf Guy (#115331)
- 11. Old Guys Rule Mug Surf Guy II (#116667)
- 12. Old Guys Rule Pint Old Guy Crown (#115505)
- 13. Old Guys Rule Pint Old Guy King (#32251)
- 14. Old Guys Rule Pint Old Guy Long Brd (#115504)
- 15. Old Guys Rule Pint Old Guy Perfctn (#115506)
- 16. Old Guys Rule Shooter/Shot Glass Sct (#990011)

Exhibit B

The designated symbol that Bird in Hand will use to identify products containing the listed chemical which are sold through its catalogs or on its website is:

